

Union Calendar No. 117

110TH CONGRESS
1ST SESSION

H. R. 885

[Report No. 110–196]

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2007

Mr. LANTOS (for himself, Mr. ACKERMAN, and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs

JUNE 18, 2007

Additional sponsors: Mr. HOBSON, Mrs. TAUSCHER, Mr. BERMAN, Mr. LINDER, Mr. SCHIFF, Mr. WEXLER, Mr. LEVIN, Mr. ENGEL, Ms. ROSELEHTINEN, and Mr. McCOTTER

JUNE 18, 2007

Committed to the Committee of the Whole House on the State of the Union,
and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 7, 2007]

A BILL

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the Inter-

national Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“International Nuclear Fuel for Peace and Nonproliferation*
 6 *Act of 2007”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 8 *this Act is as follows:*

Sec. 1. Short title and table of contents.

**TITLE I—INTERNATIONAL REGIME FOR THE ASSURED SUPPLY OF
 NUCLEAR FUEL FOR PEACEFUL MEANS**

Sec. 101. Findings.

Sec. 102. Sense of Congress.

Sec. 103. Statements of policy.

Sec. 104. Report.

TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

Sec. 201. Voluntary contributions to the International Atomic Energy Agency.

Sec. 202. Authorization of appropriations.

9 **TITLE I—INTERNATIONAL RE-**
 10 **GIME FOR THE ASSURED SUP-**
 11 **PLY OF NUCLEAR FUEL FOR**
 12 **PEACEFUL MEANS**

13 **SEC. 101. FINDINGS.**

14 *Congress makes the following findings:*

15 (1) *Since the United States Baruch Plan of*
 16 *1946, the United States has believed that an increase*
 17 *in the number of countries that possess nuclear weap-*

1 *ons and the means to create such weapons makes the*
2 *world less secure and stable by increasing the chances*
3 *that nuclear weapons would be used. A world in*
4 *which nuclear weapons are used again is less secure*
5 *for all concerned, and could well trigger a global arms*
6 *race, as more countries will be tempted to arm them-*
7 *selves with nuclear weapons to prevent attacks by*
8 *countries that possess nuclear weapons.*

9 *(2) It is therefore in the general security interest*
10 *of all countries, and in the vital national security in-*
11 *terest of the United States, that the number of coun-*
12 *tries that possess a nuclear weapons capability nec-*
13 *essarily be kept to a minimum and ultimately re-*
14 *duced.*

15 *(3) Uranium enrichment and spent-fuel reproc-*
16 *essing facilities produce nuclear material that can ei-*
17 *ther be used for peaceful purposes in electricity-gener-*
18 *ating reactors, or can be used to produce uranium*
19 *and plutonium for nuclear weapons. As such, these fa-*
20 *cilities are inherently a proliferation risk, allowing*
21 *their possessor to be just months away from the pro-*
22 *duction of a nuclear explosive device.*

23 *(4) It is also therefore in the general security in-*
24 *terest of all countries that the number of countries*
25 *that operate uranium enrichment and spent-fuel re-*

1 *processing facilities also be kept to a minimum, con-*
2 *sistent with the global demand for nuclear power re-*
3 *actor fuel.*

4 (5) *The financing and construction of additional*
5 *uranium enrichment and spent-fuel reprocessing fa-*
6 *cilities in additional states around the world is inde-*
7 *fensible on economic grounds alone, given current and*
8 *future supplies of uranium and existing providers of*
9 *uranium enrichment and spent-fuel reprocessing serv-*
10 *ices to the world market.*

11 (6) *The desire to construct uranium enrichment*
12 *and spent-fuel reprocessing facilities by additional*
13 *countries, therefore, is often based upon considerations*
14 *other than economic calculations. The possession of*
15 *such facilities is often elevated to a matter of national*
16 *pride—a demonstration to the world that the country*
17 *that possesses this technology has arrived at a level of*
18 *technological development comparable to that of the*
19 *United States and other countries with advanced civil*
20 *nuclear power programs.*

21 (7) *Furthermore, the acquisition of uranium en-*
22 *richment and spent-fuel reprocessing facilities can be*
23 *perceived as a demonstration of the developing world's*
24 *independence from technological domination by the*
25 *more developed states. Article IV of the Treaty on the*

1 *Nonproliferation of Nuclear Weapons (NPT) recog-*
2 *nizes that State Parties have an “inalienable right*
3 *...to develop research, production and use of nuclear*
4 *energy for peaceful purposes without discrimina-*
5 *tion.”. However, this is a qualified right conditioned*
6 *by a State Party’s acting in conformity with the*
7 *NPT’s obligation for such countries not to acquire,*
8 *possess, or develop nuclear weapons or nuclear explo-*
9 *sive devices.*

10 *(8) It has been long recognized that the prolifera-*
11 *tion of national uranium enrichment and spent-fuel*
12 *reprocessing facilities would increase the likelihood of*
13 *the emergence of new nuclear weapon states. Con-*
14 *cerned governments, nongovernmental organizations,*
15 *and individual experts have for decades recognized the*
16 *need to address this problem through multilateral as-*
17 *surances of the uninterrupted supply of nuclear fuel,*
18 *the sharing of peaceful application of nuclear energy,*
19 *an international fuel bank to provide fuel if the fuel*
20 *supply to a country is disrupted, and even multilat-*
21 *eral participation in international uranium enrich-*
22 *ment and spent-fuel reprocessing facilities, as a*
23 *means of reducing incentives of countries to develop*
24 *and construct such facilities themselves.*

1 (9) *Until recently, such efforts have produced lit-*
2 *tle more than reports. However, the revelations of a*
3 *nuclear black-market in uranium enrichment tech-*
4 *nology and equipment, combined with the attempt by*
5 *North Korea and Iran to possess such technology and*
6 *equipment to provide the basis for nuclear weapons*
7 *programs, have rekindled this debate with a new ur-*
8 *gency.*

9 (10) *Iran has used the specter of a potentially*
10 *unreliable international supply of nuclear reactor fuel*
11 *as a pretext for developing its own uranium enrich-*
12 *ment and spent-fuel reprocessing capability, which*
13 *would enable Iran to also produce weapons-grade ura-*
14 *nium and plutonium for nuclear weapons.*

15 (11) *Several initiatives have been proposed over*
16 *the last year to address these concerns. The United*
17 *States has proposed the Global Nuclear Energy Part-*
18 *nership (GNEP), which envisions a consortium of*
19 *countries with advanced nuclear capabilities pro-*
20 *viding nuclear fuel services—fresh fuel and recovery*
21 *of used fuel—to other countries that agree to employ*
22 *nuclear energy only for power generation purposes,*
23 *without possessing national uranium enrichment and*
24 *spent-fuel reprocessing facilities.*

1 (12) *The United States also joined France, the*
2 *Russian Federation, Germany, the United Kingdom,*
3 *and the Netherlands on May 31, 2006, in proposing*
4 *a “Concept for a Multilateral Mechanism for Reliable*
5 *Access to Nuclear Fuel” that would facilitate or create*
6 *new arrangements between suppliers and recipients to*
7 *provide fuel to countries with good nonproliferation*
8 *credentials in case of market failure.*

9 (13) *Any assurance of the supply of nuclear fuel*
10 *should meet the condition outlined by President*
11 *George W. Bush on February 11, 2004, that “The*
12 *world’s leading nuclear exporters should ensure that*
13 *states have reliable access at reasonable cost to fuel for*
14 *civilian reactors, so long as those states renounce en-*
15 *richment and reprocessing.”.*

16 (14) *The Russian Federation has proposed that*
17 *one of its uranium enrichment facilities be placed*
18 *under international management and oversight, as*
19 *part of a “Global Nuclear Power Infrastructure” pro-*
20 *posal to create international nuclear fuel cycle cen-*
21 *ters.*

22 (15) *In conclusion, the creation of a multi-tiered*
23 *system to assure the supply of nuclear reactor fuel at*
24 *current market prices, under appropriate safeguards*
25 *and conditions, could reassure countries that are de-*

1 *pendent upon or will construct nuclear power reactors*
2 *that they will have an assured supply of nuclear fuel*
3 *at current market prices, so long as such countries*
4 *forgo national uranium enrichment and spent-fuel re-*
5 *processing facilities and are committed to the non-*
6 *proliferation of nuclear weapons.*

7 **SEC. 102. SENSE OF CONGRESS.**

8 *It is the sense of Congress that—*

9 *(1) the “Concept for a Multilateral Mechanism*
10 *for Reliable Access to Nuclear Fuel”, proposed by the*
11 *United States, France, the Russian Federation, Ger-*
12 *many, the United Kingdom, and the Netherlands on*
13 *May 31, 2006, is welcomed and should be expanded*
14 *upon at the earliest possible opportunity;*

15 *(2) the proposal by the Government of the Rus-*
16 *sian Federation to bring one of its uranium enrich-*
17 *ment facilities under international management and*
18 *oversight is also a welcome development and should be*
19 *encouraged by the United States;*

20 *(3) the offer by the Nuclear Threat Institute*
21 *(NTI) of \$50,000,000 in funds to support the creation*
22 *of an international nuclear fuel bank by the Inter-*
23 *national Atomic Energy Agency (IAEA) is also wel-*
24 *comed, and the United States and other member*
25 *states of the IAEA should pledge collectively at least*

1 *an additional \$100,000,000 in matching funds to ful-*
2 *fill the NTI proposal; and*

3 *(4) the governments, organizations, and experts*
4 *currently engaged in developing the initiatives de-*
5 *scribed in paragraphs (1) through (3) and other ini-*
6 *tiatives should seek to identify additional incentives*
7 *to be included in an international regime for the as-*
8 *sured supply of nuclear fuel for peaceful means at*
9 *current market prices, including participation in*
10 *non-weapons-relevant technology development and*
11 *fuel leasing to further persuade countries that partici-*
12 *pation in such a multilateral arrangement far out-*
13 *weighs the temptation and expense of developing na-*
14 *tional uranium enrichment and plutonium reprocess-*
15 *ing facilities.*

16 **SEC. 103. STATEMENTS OF POLICY.**

17 *(a) GENERAL STATEMENT OF POLICY.—It is the policy*
18 *of the United States to support the establishment of an*
19 *international regime for the assured supply of nuclear fuel*
20 *for peaceful means under multilateral authority, such as*
21 *the International Atomic Energy Agency.*

22 *(b) ADDITIONAL STATEMENT OF POLICY.—It is further*
23 *the policy of the United States to—*

24 *(1) oppose the development of a capability to*
25 *produce nuclear weapons by any non-nuclear weapon*

1 *state, within or outside of the Treaty on the Non-Pro-*
2 *liferation of Nuclear Weapons (21 UST 483; com-*
3 *monly referred to as the “Nuclear Non-Proliferation*
4 *Treaty” or the “NPT”);*

5 *(2) encourage states party to the NPT to inter-*
6 *pret the right to “develop research, production and*
7 *use of nuclear energy for peaceful purposes,” as de-*
8 *scribed in Article IV of the NPT, as being a qualified*
9 *right that is conditioned by the overall purpose of the*
10 *NPT to prevent the spread of nuclear weapons and*
11 *nuclear weapons capability, including by refraining*
12 *from all nuclear cooperation with any state party*
13 *that has not demonstrated that it is in full compli-*
14 *ance with its NPT obligations, as determined by the*
15 *International Atomic Energy Agency; and*

16 *(3) strengthen the Nuclear Suppliers Group*
17 *guidelines concerning consultation by members re-*
18 *garding violations of supplier and recipient under-*
19 *standings by instituting the practice of a timely and*
20 *coordinated response by Nuclear Suppliers Group*
21 *members to all such violations, including termination*
22 *of nuclear transfers to an involved recipient, that dis-*
23 *courages individual Nuclear Suppliers Group mem-*
24 *bers from continuing cooperation with such recipient*

1 *until such time as a consensus regarding a coordi-*
 2 *nated response has been achieved.*

3 **SEC. 104. REPORT.**

4 *Not later than 180 days after the date of the enactment*
 5 *of this Act, the President shall transmit to the Committee*
 6 *on Foreign Affairs of the House of Representatives and the*
 7 *Committee on Foreign Relations of the Senate a report on*
 8 *the activities of the United States to support the establish-*
 9 *ment of an international regime for the assured supply of*
 10 *nuclear fuel for peaceful means at current market prices*
 11 *under multilateral authority, such as the International*
 12 *Atomic Energy Agency. The report shall include an assess-*
 13 *ment of the feasibility of establishing an international fuel*
 14 *services center within the United States.*

15 **TITLE II—INTERNATIONAL**
 16 **NUCLEAR FUEL BANK**

17 **SEC. 201. VOLUNTARY CONTRIBUTIONS TO THE INTER-**
 18 **NATIONAL ATOMIC ENERGY AGENCY.**

19 *(a) VOLUNTARY CONTRIBUTIONS AUTHORIZED.—The*
 20 *President is authorized to make voluntary contributions on*
 21 *a grant basis to the International Atomic Energy Agency*
 22 *(hereinafter in this section referred to as the “IAEA”) for*
 23 *the purpose of supporting the establishment of an inter-*
 24 *national nuclear fuel bank to maintain a reserve of low-*
 25 *enriched uranium for reactor fuel to provide to eligible*

1 *countries in the case of a disruption in the supply of reactor*
 2 *fuel by normal market mechanisms.*

3 *(b) REQUIREMENTS.—Voluntary contributions under*
 4 *subsection (a) may be provided only if the President cer-*
 5 *tifies to the Committee on Foreign Affairs of the House of*
 6 *Representatives and the Committee on Foreign Relations of*
 7 *the Senate that—*

8 *(1) the IAEA has received pledges in a total*
 9 *amount of not less than \$100,000,000 and is in re-*
 10 *ceipt of not less than \$75,000,000 of such pledges for*
 11 *the purpose of supporting the establishment of the*
 12 *international nuclear fuel bank referred to in sub-*
 13 *section (a);*

14 *(2) the international nuclear fuel bank referred*
 15 *to in subsection (a) will be established within the ter-*
 16 *ritory of a non-nuclear weapon state, and will be*
 17 *under the oversight of the IAEA, only if—*

18 *(A) the non-nuclear weapon state, among*
 19 *other things—*

20 *(i) has a full scope safeguards agree-*
 21 *ment with the IAEA and an additional pro-*
 22 *tol for safeguards in force;*

23 *(ii) has never been determined by the*
 24 *IAEA Board of Governors to be in non-*
 25 *compliance with its IAEA full scope safe-*

1 *guards agreement and its additional pro-*
2 *TOCOL for safeguards; and*

3 *(iii) has effective enforceable export*
4 *controls regarding nuclear and dual-use nu-*
5 *clear technology and other sensitive mate-*
6 *rials comparable to those maintained by the*
7 *United States; and*

8 *(B) the Secretary of State has never deter-*
9 *mined, for purposes of section 6(j) of the Export*
10 *Administration Act of 1979, section 620A of the*
11 *Foreign Assistance Act of 1961, section 40 of the*
12 *Arms Export Control Act, or any other provision*
13 *of law, that the government of the non-nuclear*
14 *weapon state has repeatedly provided support for*
15 *acts of international terrorism;*

16 *(3) the international nuclear fuel bank referred*
17 *to in subsection (a) will provide nuclear reactor fuel*
18 *to a country only if, at the time of the request for nu-*
19 *clear reactor fuel—*

20 *(A) the country is in full compliance with*
21 *its IAEA safeguards agreement and has an addi-*
22 *tional protocol for safeguards in force;*

23 *(B) in the case of a country that at any*
24 *time prior to the request for nuclear reactor fuel*
25 *has been determined to be in noncompliance with*

1 *its IAEA safeguards agreement, the IAEA Board*
2 *of Governors determines that the country has*
3 *taken all necessary actions to satisfy any con-*
4 *cerns of the IAEA Director General regarding*
5 *the activities that led to the prior determination*
6 *of noncompliance;*

7 *(C) the country agrees to use the nuclear re-*
8 *actor fuel in accordance with its IAEA safe-*
9 *guards agreement;*

10 *(D) the country has effective and enforceable*
11 *export controls regarding nuclear and dual-use*
12 *nuclear technology and other sensitive materials*
13 *comparable to those maintained by the United*
14 *States;*

15 *(E) the country does not possess uranium*
16 *enrichment or spent-fuel reprocessing facilities of*
17 *any scale; and*

18 *(F) the government of the country is not a*
19 *state sponsor of terrorism for purposes of section*
20 *6(j) of the Export Administration Act of 1979,*
21 *section 620A of the Foreign Assistance Act of*
22 *1961, section 40 of the Arms Export Control Act,*
23 *or any other provision of law;*

1 (4) *the international nuclear fuel bank referred*
2 *to in subsection (a) will not contain uranium enrich-*
3 *ment or spent-fuel reprocessing facilities; and*

4 (5) *the nuclear reactor fuel referred to in para-*
5 *graph (3) will be provided to a country referred to in*
6 *such paragraph only at current market prices.*

7 (c) *WAIVER.—The President may waive the require-*
8 *ment of subparagraph (F) of subsection (b)(3) if the Presi-*
9 *dent—*

10 (1) *determines that it is important to the na-*
11 *tional security interests of the United States to do so;*
12 *and*

13 (2) *transmits to the Committee on Foreign Af-*
14 *fairs of the House of Representatives and the Com-*
15 *mittee on Foreign Relations of the Senate a report*
16 *that contains the basis of the determination under*
17 *paragraph (1).*

18 (d) *RULE OF CONSTRUCTION.—Nothing in this section*
19 *shall be construed to authorize voluntary contributions*
20 *under subsection (a) to support subsidization of the price*
21 *of nuclear reactor fuel whose supply would be assured by*
22 *the United States, the IAEA, or any other state or inter-*
23 *national entity covered by this section.*

1 **SEC. 202. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) *IN GENERAL.*—*To carry out section 201, there is*
3 *authorized to be appropriated to the President \$50,000,000*
4 *for fiscal year 2008.*

5 (b) *AVAILABILITY OF APPROPRIATIONS.*—*Amounts ap-*
6 *propriated pursuant to the authorization of appropriations*
7 *under subsection (a) are authorized to remain available*
8 *until September 30, 2010.*

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